

## **China Trade Bill Has No Teeth**

### **House "Debates" Trade Bill as Commerce Depart Puts Nail in Coffin of American Icon**

**Washington, DC** - Rep. Louise M. Slaughter (D-NY), Ranking Member of the House Rules Committee, made the following remarks during today's rules debate on H.R. 3283, the China Trade Bill also known as the United States Trade Rights Enforcement Act. Calling the legislation toothless, Rep. Slaughter cited the Commerce Department's unwillingness to protect American companies from unfair trade practices, offering the example of Buffalo Color, America's last domestic producer of blue jean dye. A true American Icon, Buffalo Color faces closure because of Commerce Department inaction.

#### **Rep. Slaughter's Remarks:**

Mr. Speaker, I rise today in strong opposition to the rule before us this morning.

Yesterday, the Republican Leadership, in a clear attempt to circumvent the Democratic

process, tried to sneak the "United States Trade Enforcement Act" through the House under suspension of the House Rules.

Suspension rules are supposed to be reserved for non-controversial measures.

They are most often employed for renaming post offices and honoring sports teams not for bills which attempt to alter American trade policy.

But this leadership wanted to force this bill through the House, without a proper hearing in committee, without the appropriate debate and without any opportunity for amendment or improvement.

Fortunately for all Americans, their plot failed and the measure was defeated on the floor.

But to no one's surprise, they are back at it again this morning.

The Republican Leadership has yet again shut the door on deliberative democracy by providing just ONE hour of debate on this measure.

And more importantly, on a party line, the Republicans voted to prevent any amendment by a Member of Congress from even being considered on the House floor today, which would strengthen this bill.

That means they want all 435 Members of this House to accept the Republican Leadership's version of this bill... No changes, no arguments, no additions or recommendations for improvement.

Just yes or no.

This is like being given the opportunity to vote in an election with only one candidate on the ballot.

It's a stretch to call that democracy.

The question is... what is the House Leadership afraid of?

They don't want the membership of this body to have the opportunity to strengthen trade protections for American companies

This China Trade bill is merely a public relations effort, and is part of a last-ditch attempt to pick up votes for CAFTA... nothing more.

It has no teeth....and that is exactly how the Majority wants it - Long on rhetoric and short on substance.

Even though it is called the United States Trade Rights Enforcement Act, The bill provides little for those concerned about the ballooning trade deficit with China and the destruction of U.S. jobs.

It fails to include real solutions proposed by Members on both sides of aisle...

Such as strengthening remedies for American industries hurt by China's unfair trade practices.

This is a very serious issue that the Leadership is trivializing as a protection vote for CAFTA...

But real American jobs are hanging in the balance.

A perfect example of this can be found in Buffalo, New York

After 100 years of business, the Buffalo Color Company, the last domestic producer of the indigo dye used to make blue jeans, is in the final throes of bankruptcy.

Buffalo Color is the victim of illegal Chinese dumping of indigo dye on the U.S. market.

For two years the company has been seeking help from the Administration to stop Chinese companies from circumventing our trade laws by shipping cheap dye to the U.S. through Korea and Mexico.

I have tried repeatedly to personally discuss this case with Commerce Secretary Gutierrez and have yet to even hear back from him.

We have called, we have written letters, we have issued press releases...but we cannot get the Bush Commerce Department to lift one finger to help save an iconic American industry from annihilation at the hands of Chinese price dumping which is already illegal.

The bottom line is that, much like the Bush Administration, this bill will do nothing to help protect the Buffalo Color Company, or its employees.

And as a result, the only remaining American producer of the dye for blue jeans, a powerful American icon, will be driven into bankruptcy by illegal Chinese price dumping...and more American jobs will be lost.

I hope the sad irony of this is not be lost anyone here today.

Like all U.S. companies, Buffalo Color should be able to count on the Federal government to provide protection from unfair trade practices.

With this bill, the Republican leadership is failing to meet this responsibility.

**Rep. Slaughter's Letter to Commerce:**

July 12, 2005

Secretary Carlos M. Gutierrez  
Office of the Secretary  
US Department of Commerce

14th and Constitution Ave. NW

Room 5516  
Washington, DC 20230

Dear Secretary Gutierrez,



I am writing to request that you immediately intervene to protect the Buffalo Color Corporation (BCC) from bankruptcy. The handling of this case by your agency raises serious doubts about the trade policies currently being championed by this Administration.

I have repeatedly, and unsuccessfully, attempted to contact you directly to discuss the dire situation facing BCC. This company, located in South Buffalo, New York, is the last domestic producer of synthetic indigo dye used in the manufacture of denim in the United States. However, due to the failure of your agency to resolve BCC's case in a timely manner, this company is now in the final stages of bankruptcy. Its loss will represent the death of an entire US industry.

Beginning in 1999, BCC successfully fought a two year battle to stop Chinese producers from illegally flooding the US market with indigo dye. In June of 2000, the Commerce Department formally affirmed that Chinese producers were dumping in the U.S. market and issued an anti-dumping order that retroactively imposed duties on shipments made since mid-September 1999. BCC suffered severe economic hardship due to the illegal dumping, but was able to get back on strong financial footing as a result of this decision.

However, within a year and a half of this order being issued, Chinese producers began circumventing the anti-dumping duty by shipping indigo dye to the US through Mexico and Korea to the US. In February 2003, BCC presented substantial evidence of this transshipping to the Commerce Department, as well as the US Customs and Border Protection. Despite strong and compelling evidence, this case is still pending before your agency.

In the over two years the Department of Commerce has had to investigate this case, cheap Chinese produced indigo dye has continued to reach US shores through Korea and Mexico. Consequently, BBC has been forced to cease manufacturing, lay-off its workforce, and is now in the final stages of bankruptcy. Despite BCC's grave financial status, the company has lined-up US investors that are committed to resurrecting the company -- but only if its case is resolved and the transshipping is stopped. I, therefore, urge you to immediately complete your investigation and fully enforce the anti-dumping order.

Given that you just returned from a trip to China promoting more trade, I am particularly troubled that the Commerce Department is refusing to enforce existing trade laws to save the last domestic producer of indigo dye used to make blue jeans -- especially since illegal Chinese price dumping drove BCC into bankruptcy. This raises broader concerns about ability of American business owners and workers to have faith in any trade agreement championed by the Administration, whether in China or in other parts of the world, when we cannot rely on you to enforce trade laws already on the books.

Like all US companies, BCC should be able to count on the Department of Commerce to do all that it can to support its business interests and provide protection from unfair trade practices. However, the Department of Commerce is clearly failing to meet its responsibilities, jeopardizing the future of BCC and all US companies. Without your immediate intervention, the company will be liquidated, an American Icon will be lost, and a once proud US industry will no longer exist.

I have enclosed background information on this case for your review, and expect your swift response to this urgent case. Thank you.

Sincerely,

/s

Louise M. Slaughter

Member of Congress